

UTAH DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

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Beer Wholesaling License Summary

*Note: This is general information only and should not be considered conclusive.
For further detail, please consult Title 32A of the Utah Code and the Rules of the Commission.*

A beer wholesaling license allows for the import, purchase, storage, sale and distribution of beer (not to exceed 3.2% alcohol by weight or 4.0% alcohol by volume). The license holder may purchase and import beer into Utah, store beer in approved warehouses, and sell and distribute beer directly to licensed beer retailers, and holders of single event permits or temporary special event beer permits. Licenses run from January 1 to December 31.

Beer Purchases

License holders may only:

- purchase beer from brewers licensed in Utah, or
- import/purchase beer from brewers located outside Utah who hold a certificate of approval from the Department of Alcoholic Beverage Control (DABC).

Beer Sales

- Sales may only be made to licensed retailers or holders of temporary special event permits.
- A beer wholesaler may not sell or distribute an alcoholic beverage that has not has its label approved by the department under 32A-1, Part 8, Malted Beverages Act.

Geographical Area

- A beer wholesaler must designate its authorized geographical area for sales and distribution of beer (assigned by its suppliers).
- The wholesaler may only sell and distribute beer to retailers within its authorized geographical area.
- If a beer wholesaler is temporarily unable to supply retailers within its area, the DABC may grant temporary authority for another wholesaler to supply the same brands of beer.

Beer Storage

- A beer wholesaler must own, lease, or otherwise control and maintain a warehouse facility within Utah.
- The facility must be approved by and a current floor plan kept on file with the DABC.
- Beer must be physically removed from the vehicle used to transport the beer from the supplier into the beer wholesaler's warehouse before it may be distributed and sold.

Minors

A minor may not be:

- granted a beer wholesaling license; or
- employed to handle beer.

Samples

Samples of beer may be provided to retailers under the following circumstances:

- The retailer has not purchased the brand within the last 12 months; and
- Not more than three gallons of any brand may be given to a retailer, except that if a particular product is not available in a size within the 3 gallon limit, the next larger size may be provided.

Trade Practices

The following is a brief summary. For more detail, see the separate "Trade Practices Summary" or consult Title 32A-12-601 through -606 U.C.A.

Beer wholesalers may not:

- directly or indirectly hold a brewery license or a beer retailer license;
- induce or coerce any retailer to engage in illegal conduct;
- prohibit a retailer from selling the product of any other wholesaler;

- fix the price at which the retailer may resell beer;
- require any retailer to take delivery of any product not voluntarily ordered;
- restrict the right of a retailer to participate in an organization representing the interests of retailers;
- require a retailer to participate in or contribute to any advertising fund or promotional activity;
- retaliate against a retailer that files a complaint with the DABC or a federal agency against the wholesaler;
- refuse to deliver beer to a properly licensed retailer unless:
 - the retailer refuses to pay the wholesaler, or
 - there are other circumstances that prevent delivery such as a strike, embargo, bona fide shortage of materials, or unforeseeable events beyond the control of the wholesaler;
- induce a retailer to purchase beer to the exclusion in whole or in part of any beer products sold by other persons by:
 - violating the provisions of the tied house restrictions of the Alcoholic Beverage Control Act (see section 32A-12-603 U.C.A.), such as:
 - providing certain things of value to a licensed retailer, such as equipment, supplies, signs, services, paid advertising, money, etc., subject to certain exceptions;
 - guaranteeing any loan or repayment of any financial obligation of a retailer;
 - extending credit for a period in excess of 15 days. Payment must be received in cash or its equivalent by the 25th of the month if sold between the 1st and 15th of the month, or by 10th of the succeeding month if sold from the 16th through end of the month;
- violate the commercial bribery prohibitions of the Alcoholic Beverage Control Act (see section 32A-12-604 U.C.A.).
- violate the consignment sales prohibitions of the Alcoholic Beverage Control Act (see section 32A-12-605 U.C.A.).

Prohibitions Involving Consumers

A wholesaler may not:

- give away any of its alcoholic products except as samples to the extent indicated above, or to the extent authorized by section 32A-12-606 U.C.A.);
- engage in a promotional scheme that requires the purchase or consumption of beer in order to participate;
- give away things of value, such as money, prizes, rebates, or refunds based on the purchase, display, use, sale, or consumption of beer;
- sponsor or underwrite any athletic, theatrical, scholastic, artistic, or scientific event that;
 - overtly promotes the consumption of beer;
 - offers beer to the general public without charge; or
 - takes place on the premises of a school, college, university, or educational institution.